RENEWAL OF THE RADIO NETWORK LICENCES OF THE CBC

Response of the Government of Ontario to

CRTC Notice of Public Hearing 1987-70

September 1987

I. INTRODUCTION

The Canadian Broadcasting Corporation forms the core of the Canadian broadcasting system. Therefore, the review process regarding the applications for renewal of its English and French radio network licences is of major importance to all those interested in the future of Canadian broadcasting.

The basic purpose of the licence renewal process is for the Commission to assess the plans of the Corporation for the next five years. However, as with the public hearing held in 1986 on the CBC's television network licence renewals, the October hearing on CBC's radio networks will take place in an uncertain economic and policy environment. Unfortunately, the hearing process is seriously affected when there are major uncertainties regarding the CBC's role, mandate, funding and long-range planning authority. This uncertainty has been increased by the statement in late August from the Federal Minister of Communications on the delay in drafting a new Broadcasting Act and on her request to the House of Commons Standing Committee on Communications and Culture to examine the possibility of reducing the functions carried out by the CBC.

Despite these difficulties, it remains the case that the renewal of the CBC radio network licences is an event of considerable importance and one that has not occurred for nine years. Moreover, the Commission's decision to hold a hearing on only the radio licences provides a rare opportunity for a discussion on radio service issues without being in the shadow of the usually more dominant and seemingly intractable problems of CBC television service. As the core of the broadcasting system, the CBC's health and effectiveness are major factors in the vitality of the whole broadcasting system. The following discussion indicates Ontario's concerns regarding the future role and operations of the CBC, ranging from issues of general principle to matters of specific concern.

II. PRINCIPLES

Ontario wishes to advance the following policy principles relating to the renewal of the CBC's radio network licences. In Ontario's view, broadcasting policy should:

- o encourage the CBC to serve as the major vehicle for ensuring nation-wide access to a balanced, diverse stream of high-quality Canadian radio programming services;

- o support an economically strong national public broadcasting system;

- o encourage the CBC to assist in the creation, production, and dissemination of Canadian cultural products.

III. ISSUES

The CRTC, in its Notice of Public Hearing 1987-70, has listed thirteen issues for discussion. However, the list of issues of particular interest to Ontario is much shorter. Accordingly, Ontario has identified the following three issues relating to the renewal of the CBC's radio network licences as particularly relevant to Ontario's concerns:

- the role of the CBC.

- the CBC's programming objectives.

- the distribution of CBC services.

These issues and Ontario's recommendations are covered in the balance of the submission.

A. THE ROLE OF THE CBC

The CBC's position as the core of the Canadian broadcasting system is mandated by the terms of sections 3(f), (g), and (h) of the Broadcasting Act, which provide for its creation and give it both special rights and special responsibilities. If the Canadian broadcasting system is to perform the nation-building roles required of it, then the government's role must be a proactive one as well as a supervisory or permissive one. From this perspective, the CBC's role is to provide the major vehicle for ensuring nation-wide access to a balanced, diverse stream of high quality, Canadian-centred programming in which all Canadians can share.

Through its French and English radio networks as well as special services to the north and to native communities, the CBC should continue to serve all Canadians with diverse programming through the most effective and efficient delivery systems. The CBC performs a key societal function in providing reliable means for Canadians, both nationally and regionally, to create a sense of community whereby Canadians develop a common core of shared information, experience and perspectives.

This role, however, carries with it special implications for CBC operations. First, the nature of the CBC's role as described above requires that it not be drawn into reliance upon simple audience measures of its success, either in external accountability processes or, perhaps more importantly, as an allocative mechanism within the Corporation -- for example, between television and radio or between French-language and English-language services.

While the size of audience drawn to a particular program is important, the use of audience size alone can mask the need for other kinds of more specialized programming.

Programs in this category might include, for example, intra-regional and inter-regional programming, programs originating with the other language service, programming designed for particular audiences such as young adults, documentaries and drama productions.

In Ontario's view, the CBC should be highly commended for the generally excellent quality and diversity of its current radio program offerings and its continuing commitment, as shown in these licence renewal applications, to maintaining and enhancing this quality.

A second significant characteristic of the CBC's role is its relationship with government. Because the Corporation receives a substantial portion of its funding from the federal government, it is vulnerable to revenue changes which are substantially beyond its control. This poses special problems for the Corporation in long-range planning and in management of its resources, as we have seen over the past nine years. Ontario believes that, because of the continuing possibility of budget cuts to the CBC and the high costs of maintaining its television networks, the CBC must ensure that the radio networks are not starved of essential funds. In Ontario's view, the CBC's role is a broad and crucial one for Canada. Accordingly, Ontario supports a strong CBC, adequately funded to carry out its mandate in both radio and television.

Finally, the centrality of the CBC's role in the broadcasting system stems both directly from its mandate and indirectly from the large economic size and broad geographic reach that are a consequence of that mandate. The CBC is the largest single component of the broadcasting system and its radio networks are national in scope, unlike almost all private radio licensees.

The Corporation's decisions have important economic, social and cultural effects throughout the country on other elements of the broadcasting system as well as on the communities in which CBC facilities are located -- quite apart from the impact of the programming content. Such indirect consequences should properly be considered by governments, regulators and by the Corporation in the policy-making process.

An important part of the CBC facilities are those in Toronto. The need for a new production centre to accommodate both radio and television services (in English and French) has been acknowledged for many years yet the centre remains unbuilt. The new Centre would consolidate CBC operations now spread over many locations into a single set of state-of-the-art facilities. Ontario fully supports the concept of the Toronto Broadcast Centre and urges that it be completed as quickly as possible.

B. THE CBC'S PROGRAMMING OBJECTIVES

The CBC's primary programming objective for radio, as outlined in its licence renewal applications, is to maintain the present quality and diversity of programming on its four major radio networks. Both English and French services are seeking to maintain programming standards in an environment of budget cuts and uncertainties about future budget allocations.

The cultural contexts in which the two language divisions exist are very different so the specific goals and strategies are necessarily different also. The French radio networks perceive their role as primarily cultural, especially in the promotion of French Canadian musical expression. For their part, the English networks seek to

maintain a complementary balance between information and entertainment, with the basic, more widely distributed, AM/FM network emphasizing the former and the wholly FM network emphasizing the latter.

The CBC itself has virtually ceased to designate its networks as "AM" and "FM" due to the increasing use of FM transmitters to extend the distribution of the AM network, and the resulting confusion for listeners. Therefore, this submission will use the CBC's method of identifying its networks by programming orientation and/or by language. Thus, "Radio" refers to the basic, mainly AM networks (in both languages) whereas "Stereo" refers to the complementary, classical music, wholly FM networks. "English Radio" refers to the English-language basic AM network only. "English radio" refers to both English-language networks, AM and FM. Where no language identifier is given, then the networks of each language are assumed to be included.

For English radio, the Corporation hopes to retain its existing audience as well as to increase its reach and share of the Anglophone audience from between 10 and 12% to about 15%; English radio is also interested in diversifying its audience profile by reaching and retaining more Canadians under the age of 50. The French radio networks have set no specific targets for service reach or for changing its audience profile.

The CBC also intends to increase as much as possible its broadcasts of live performances ("performance programming") and to increase the carriage of Canadian content in music. Particularly for classical music, the CBC Stereo networks have shown strong leadership in carrying Canadian music and in promoting the knowledge and appreciation by Canadians of this music. However, the CBC

has indicated in its promises of performance that the increase in Canadian content depends on the availability of sufficient funds and on a special CBC definition of Canadian content applied to classical music in particular.

Ontario strongly supports the CBC's strategic directions in the programming area. Ontario believes that, as the cornerstone of the Canadian broadcasting system, the CBC should and does play a central role in increasing the availability of Canadian music and ensuring that Canadians have access to distinctive programming alternatives. The CBC's commitments to Canadian musicians and to increased performance programming as well as its gradual movement towards developing complementary Radio and Stereo services are all helping to create a strong and culturally diverse Canadian presence in the radio broadcasting environment.

From a programming perspective, another key element of the CBC's existing mandate is to serve the special needs of geographic regions, actively contributing to the flow and exchange of cultural and regional information and entertainment. Ontario believes that the CBC must have a strong programming presence in the regions to reflect the diversity of Canada, and also agrees that local programming provides the roots of a regional service. The local informational programming broadcast on the Radio networks in the early morning, at noontime and the early evening is very important in providing a vital news and information link with the local or regional community. Ontario believes that both the CBC's local and regional programs, integrated with and contributing to the national networks, are essential to the fulfillment of the Corporation's mandate.

Unfortunately, under the budget restraints with which the CBC has to contend, the regional production budgets for the coming licence period do not seem likely to increase

even to cover inflation. In the English networks application, the Corporation shows that the projected 1987-88 production budgets for the regions in Ontario would not increase at all in dollar terms from the 1986-87 budgets; in the case of the Ottawa region, the projected budget actually decreases $22,000 from the previous year. Given this information, it is difficult to see how the regional production opportunities in this province will not decrease in scope and quality from that provided in previous years. Ontario urges that the regional programming component of all four radio networks be strengthened, not reduced, during the next licence period.

C. THE DISTRIBUTION OF CBC SERVICES

The Broadcasting Act places special statutory responsibilities on the CBC in terms of provision of service, in that Section 3(g) states that the national broadcasting service should "be extended to all parts of Canada, as public funds become available."

During the past ten years, the CBC has sought to fulfill this part of its mandate through the Accelerated Coverage Plan (ACP) which extended the CBC's primary services to unserved communities of 500 or more people. Ontario has benefitted substantially from this Plan although there are still communities that are inadequately served in one or other official language.

In its licence applications, the CBC acknowledges that there are twenty communities in Canada that would have qualified for service under the Accelerated Coverage Plan but there are now no funds available. As far as native communities in northern Ontario are concerned, it seems

that no additional transmitters have been built in the past two years and there are still many small communities without the basic CBC radio services. Ontario recommends that the CBC continue to give priority to extending coverage to smaller communities in Ontario and the rest of the country.

According to CBC's application, 99.7% of Anglophones in Ontario can now receive the English Radio network off-air while only 72% are reached by over-air English Stereo network stations. Furthermore, the CBC states that 83% of Ontario Anglophones can receive the Stereo network either by over-air reception or via cable radio. The Corporation also claims that up to 89% can potentially receive the Stereo network through satellite-to-cable delivery. Whether anything close to this percentage can actually receive the network signal is not clear. It seems more realistic to assume that coverage (by whatever means) by the English Stereo network in Ontario is closer to 75% of Anglophones. This is far short of the over-air reach by the Radio network and considerably short of what is acceptable to the Ontario government.

In Ontario's view, the CBC cannot simply assume that all possible cable licensees are carrying its radio service signals to any or all of their subscribers. Some effort is required to discover precisely which cable systems carry which CBC signals, rather than assuming hopefully that full carriage is occurring.

A related problem is the lack of complete information about what percentage of cable subscribers pay for cable radio services. As far as we know, considerably less than half of basic cable subscribers also take cable radio services. Thus, even if the cable operator carries all CBC radio network signals, not all his subscribers will be able to receive the signals.

Also, there is a considerable difference in programming content, and therefore in regional relevance, between receiving the CBC network feed via satellite and receiving the nearest available CBC local station, which would have some local and regional program content.

There are clearly many unanswered questions about the reach of CBC's networks when cable delivery has to be taken into account. Without a major research effort, reliable coverage percentages cannot be produced -- and it seems are not being produced at present. Ontario recommends that the CBC discover to what extent cable licensees carry the CBC's Radio and Stereo services in both official languages.

The situation in French language services in Ontario is even less satisfactory than in English language services. While 99% of Francophones can receive the French Radio network, the percentage for the French Stereo network is a dismal 33%, according to the CBC's own information. Ottawa has the only transmitter in Ontario to transmit the French Stereo network to Francophone Ontarians. Although the CBC holds licences for FM stations in Toronto and Sudbury, these have not been built to date. Ontario recommends that the Toronto and Sudbury stations to provide French-language Stereo service be built as soon as possible.

In addition to the communities that are still not able to receive CBC radio services, Ontario is also concerned about the areas of the province which do not receive regionally-appropriate services. Ontario has a substantial concern regarding the lack of adequate regional programming for Anglophones in northern Ontario and for Francophones throughout the province. In addition, the need for appropriate programming access for native communities in Northern Ontario is of concern.

As was mentioned in the previous section of this submission, the budgets for regional programming production for the English language networks are not being increased even to keep pace with inflation. On the French Radio network, there is a heavy dependence on Toronto and Sudbury for regional programming to provide regionally appropriate programming to Francophone Ontarians. Also, there are still several small communities in North-West Ontario that receive French Radio service from Manitoba. In summary, Ontario recommends that the CBC accord high priority to the provision of regionally-appropriate radio services in both languages to all areas of the province.

Regionally-appropriate radio service for native communities in Northern Ontario involves more than receiving the programming from the nearest CBC production centre. The opportunity for community access through CBC facilities is very important to these communities but they are having difficulty in achieving satisfactory arrangements with the CBC regarding time-periods and length of time for community broadcasting.

Another point of disagreement is the possible use of local advertising in the community access times. The CBC is adamantly opposed to this although, on the face of it, the purpose and effect of the advertising would be similar to that occurring on the community channels of cable systems all across the country. Advertising would also help to make the community broadcasting organizations more self-supporting. Ontario recommends that the CBC be more flexible in its negotiations with native communities on the terms of community access.

SUMMARY AND RECOMMENDATIONS

CRTC consideration of the applications for renewal of the radio network licences of the CBC usually provides a major opportunity for the Corporation and those interested in it to review its performance and its future. Budgetary constraints and uncertainty about the revision of the Broadcasting Act as well as the future role of the CBC in the broadcasting system make it extremely difficult for the CBC to prepare programming and distribution strategies for the next licence period. Nevertheless, this opportunity to review the CBC's radio networks is a rare and long overdue one that Ontario welcomes.

Ontario's response focuses on a group of inter-related issues, the most fundamental of which is the crucial role of the CBC in the broadcasting sytem. The Corporation's role as the core of the broadcasting system is mandated by legislation and strengthened by its position as a public sector entity. As such, much is given to the Corporation and much is expected of it.

Ontario supports a strong CBC, adequately funded to carry out its mandate both in television and radio. In return, it expects the Corporation to provide diverse and strongly Canadian-centred programming services. The following recommendations, summarizing those in this submission, are based on this perspective.

- Through its French and English radio networks as well as special services to the north and to native communities, the CBC should continue to serve all Canadians with diverse programming through the most effective and efficient delivery systems.

- In Ontario's view, the CBC should be highly commended for the generally excellent quality and diversity of its current radio program offerings and its continuing commitment, as shown in these licence renewal applications, to maintaining and enhancing this quality.

- Ontario believes that, because of the continuing possibility of budget cuts to the CBC and the high costs of maintaining its television networks, the CBC must ensure that the radio networks are not starved of essential funds.

- In Ontario's view, the CBC's role is a broad and crucial one for Canada. Accordingly, Ontario supports a strong CBC, adequately funded to carry out its mandate in both radio and television.

- Ontario fully supports the concept of the Toronto Broadcast Centre and urges that it be completed as quickly as possible.

- Ontario believes that, as the cornerstone of the Canadian broadcasting system, the CBC should and does play a central role in increasing the availability of Canadian music and ensuring that Canadians have access to distinctive programming alternatives.

- Ontario believes that the CBC must have a strong programming presence in the regions to reflect the diversity of Canada, and also agrees that local programming provides the roots of a regional service.

- Ontario urges that the regional programming component of all four radio networks be strengthened, not reduced, during the next licence period.

- Ontario recommends that the CBC continue to give priority to extending coverage to smaller communities in Ontario and the rest of the country.

- Ontario recommends that the CBC discover to what extent cable licensees carry the CBC's Radio and Stereo services in both official languages.

- Ontario recommends that the Toronto and Sudbury stations to provide French-language Stereo service be built as soon as possible.

- Ontario recommends that the CBC accord high priority to the provision of regionally-appropriate radio services in both languages to all areas of the province.

- Ontario recommends that the CBC be more flexible in its negotiations with native communities on the terms of access.